

# TOWN OF MANSFIELD

## FINANCE COMMITTEE MEETING

MINUTES OF FEBRUARY 26, 2007

Present: Bruce Clouette, Alison Blair, Betsy Paterson, Matt Hart, Jeff Smith, Cherie Trahan

Also in attendance were Joseph Centofanti & Kristen Jackson from our auditing firm, Kostin, Ruffkess & Co.

The meeting was convened at 6:35 p.m.

The Director of Finance introduced Joe Centofanti, who reviewed the highlights of the 05/06 Comprehensive Annual Financial Report. The firm issued an "Unqualified" Opinion on our financial statements. Joe Centofanti also reported that there were no findings or questioned costs on our State & Federal Assistance audits. The Controller distributed the auditor's Management Comments and Finance's responses to those comments.

Discussions included:

- Fund Balance and what the rating agencies are currently looking for. Our undesignated fund balance is 4.4% of expenditures. Rating agencies are currently looking for up to 15%. A good fund balance is running at 8% – 9% of expenditures.
- The need for a Fraud Policy was discussed. Joe noted that because we have public funds, it becomes a felony when \$.25 is stolen. Joe will provide sample policies for us to review & modify for our use. It is also important for the Board of

Education for the Cafeteria Fund and the Day Care Center to have Fraud policies. Jeff will discuss with the Superintendent and the Director of Day Care.

- The need for a Bid Waiver form was discussed. Joe has provided a sample to us, which we will modify for our use.
- The procedures for cash collections of the member town for the Eastern Highlands Health District was also discussed. Several of the member towns hold all receipts, both cash & checks, until one of the sanitarians comes to the Mansfield town hall to deposit the funds. Since this leaves us vulnerable to theft, new procedures will be presented to the towns. Our preference is that the individual towns deposit their collections, following their own internal controls into their own financial systems, and then on a monthly basis, issue a check to the Health District in payment of those collections.

Jeff Smith discussed the December 31, 2006 Quarterly Financial Statements. Bruce requested that we put a little more detail into the reasons for any outstanding issues even if the issue and the details had been previously reported to the Finance Committee or Town Council. Jeff acknowledged that we will include previously discussed items in the quarterly financial.

The Director also discussed that the Town Manager had instituted a spending freeze for the current year. He noted that we were fine on the revenue side, but that we were struggling on the expenditure side. Everything possible will be done to stay within the adopted budget.

The Director reviewed the Health Insurance Fund and noted that claims for the current fiscal year are up almost \$450,000 over the same period last year.

The Recreation Fund was discussed. Community Center utilization is up, however much more is going on at the Community Center than strictly fitness. The Mayor noted that she felt that the Community Center was the best thing that has happened to this

community and that we may need to subsidize it because of the community programs. More information will be provided for discussion on the Community Center in the Budget.

Motions:

Motion was made by Alison Blair, seconded by Bruce Clouette to adopt the minutes of the November 20, 2006 Finance Committee meeting. Motion so passed.

Motion was made by Bruce Clouette and seconded by Alison Blair, to accept the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006 and to recommend its acceptance by the Town Council. Motion so passed.

Motion was made by Bruce Clouette and seconded by Alison Blair, to accept the Quarterly Financial Statements for the period ended December 31, 2006 and to recommend its acceptance by the Town Council. Motion so passed.

Motion was made by Alison Blair and seconded by Bruce Clouette to adjourn. Motion passed.

The meeting adjourned at 7:29 p.m.

Respectfully submitted,

Jeffrey H. Smith

Director of Finance